

2010 General Fund Budget

Expenditures to Drop for 2010

Based on its monthly tracking of revenues and expenditures, the City began the budgeting process earlier this year in order to predict upcoming trends for 2010 - 2012. At a September meeting, the City Council approved a preliminary general operating fund budget of \$54,710,503, a 0.09 percent decrease from the 2009 budget of \$54,759,553.

The City Council also approved a preliminary levy of \$44,606,681 for 2010, a 2.98 percent increase from 2009. The levy increase helps support some revenue losses from traffic fines and fees, hotel/motel business decline, state market value homestead credits, permits, interest earnings on investments and unpaid property taxes.

The preliminary levy can be reduced, but not increased, before final adoption in December. The proposed budget represents more preparation earlier in the process than is done in a normal fiscal year. To maintain City service levels, the City continues ongoing efforts to be very cost effective. If the final 2010 levy increase is approved at this preliminary level, the average annual increase in the City's levy from 1995 - 2010 would be 3.68 percent.

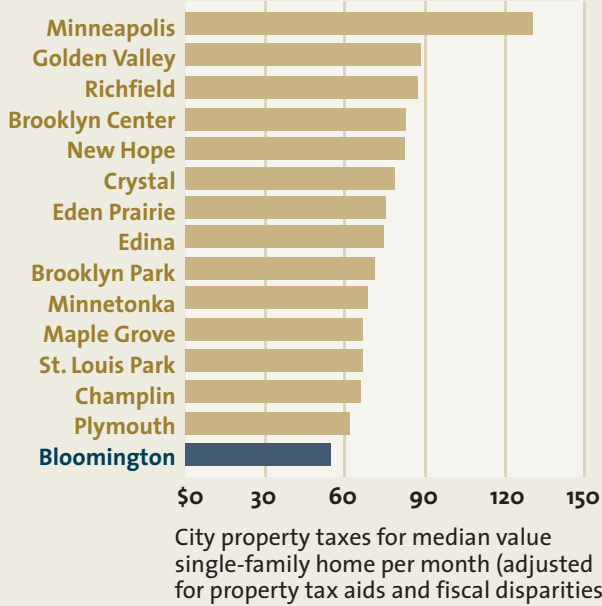
For a Bloomington resident with a median value home of \$228,600, the monthly cost of City services is estimated to be \$67.55 for 2010, which is an average annual increase of 2.5 percent since 2007. In 2007 the cost of City services per month was \$62.82. In 2008 the monthly cost for City services was \$61.80 and in 2009 the cost was \$65.17. The decrease in 2008 was due to commercial and industrial properties increasing at a faster rate than single-family residential properties.

City staff uses a five-year planning model that considers both short-term and future needs of the community to recommend a preliminary levy.

Bloomington Ranks Well Hennepin County Tax Comparison

In a 2009 comparison of 15 communities in Hennepin County with more than 20,000 residents, the median value home cost of services in terms of

Median Value Home Cost of Property Tax Related Services Payable in 2009



property taxes (when adjusted for Local Government Aid and Fiscal Disparities) showed Bloomington ranking lowest. When adjusted for aids and Fiscal Disparities, the median value home in Bloomington would have paid \$54.76 per month in property taxes to the City.

The City developed strategies in the 1990s to deal with normal cycle variation. In setting the City's property tax levy for both 2009 and 2010, the City Council anticipated that it could again lose its Market Value Homestead Credit in addition to other revenues, and budgeted accordingly. Although the City has not reduced its service levels, the 2010 budget is based on no wage increases for City employees.

Real estate markets are one of Bloomington's strengths when it comes to spreading tax burden. Historically, tax capacity in Bloomington has been split approximately in half between residential, including apartment uses, and commercial/industrial uses. However, according to Chief Financial Officer Lori Economy-Scholler, the current economic climate is having a

more variable impact on real estate values of many property types.

"Different types of properties, or even the same types of properties, don't always move in synch and sometimes the burden shifts to the homeowner rather than the commercial property owner," Economy-Scholler said.

The City made adjustments in 2002 through 2009 for declining local revenues.

"Even with the anticipated loss of state monies in 2010, the City has an ongoing commitment to provide cost-effective services while being conscious of the tax burden on residents," Economy-Scholler said.

For more information, contact Chief Financial Officer Lori Economy-Scholler at 952-563-8791 or e-mail leconomy@ci.bloomington.mn.us.

A public hearing on the tax levy and budget will be held Monday, December 7, at 6 p.m., in the Council Chambers at Civic Plaza, 1800 West Old Shakopee Road.



Spruce Up Your Home Home Improvement Loans

The Bloomington Housing and Redevelopment Authority (HRA) is accepting applications through March 27, 2010, for its Home Improvement Deferred Loan Program.

Eligible repairs include replacing roofs, electrical, heating and plumbing systems, gutters, windows, doors, insulation, siding, soffits and fascia, exterior painting and foundation, sidewalk or step repairs. Ineligible repairs include decorating, additions, finishing basements, remodeling and garage construction.

Loans of up to \$35,000 are available to Bloomington homeowners. There are no monthly payments. Repayment occurs when the home is sold, transferred or conveyed. Interest is charged at an annual rate of 5 percent of the original loan principal for the first 10 years. No additional interest accrues after 10 years.

The loans are to help maintain the condition of housing and neighborhoods. Applications are ranked and processed according to need.

Owners of homes built before 1978 are required to obtain a lead risk assessment.

Applicants must be the owner-occupant of the home and have sufficient equity to cover the loan amount. Income guidelines apply. See table below.

Income Guidelines	
1	\$44,800
2	\$51,200
3	\$57,600
4	\$64,000
5	\$69,100
6	\$74,250
7	\$79,350
8 or more	\$84,500
Includes all residents of household, related and unrelated, including renters.	
Subject to change.	

Loan applications will be accepted at the HRA office at Civic Plaza, 1800 West Old Shakopee Road, until Friday, March 12, 2010. For more information or to download an application, visit our website on or after January 4, 2010, or call 952-563-8937.

Website keywords:
Home Improvement Loan.

Home Improvement Fair Ideas and Advice to Make Your Home Shine

The City of Bloomington will host its ninth Home Improvement Fair, Saturday, February 20, 9:30 a.m. - 2:30 p.m., at Civic Plaza, 1800 West Old Shakopee Road.

If you're considering making home improvements, you won't want to miss this free event. Fairgoers will be able to visit a variety of home improvement exhibits, have questions answered by professionals in the home improvement field and get ideas for remodeling projects.

The Home Improvement Fair is a great opportunity for the whole family to learn and have fun. There will be plenty of activities and entertainment

for kids, including activity booths where children may create their own projects.

In 2009, 1,800 people visited the Home Improvement Fair and 2010 is expected to attract even more. Registrations for fair booths will be accepted through December 15. Companies and contractors interested in reserving a booth or presenting a seminar should call the number below.

For more information, call Housing and Redevelopment Authority Program Manager Bryan Hartman at 952-563-8943.

Website keywords: Home Fair.

